

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION

Therese A. Scheuer (*admitted pro hac vice*)

100 F. Street, NE

Washington, DC 20549

Phone: (202) 551-6029

Fax: (202) 772-9317

-and-

William M. Uptegrove (*admitted pro hac vice*)

Atlanta Regional Office

950 East Paces Ferry Road, N.E., Suite 900

Atlanta, GA 30326

Phone: (404) 842-5765

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

<i>In re:</i>)	Case No. 22-10964 (MG)
)	
CELSIUS NETWORK LLC, <i>et al.</i> ¹)	Chapter 11
)	(Jointly Administered)
Debtors.)	
)	

**RESERVATION OF RIGHTS OF THE U.S. SECURITIES
AND EXCHANGE COMMISSION TO JOINT MOTION
OF THE DEBTORS AND THE COMMITTEE FOR ENTRY
OF AN ORDER (I) APPROVING THE IMPLEMENTATION OF THE
MININGCO TRANSACTION AND (II) GRANTING RELATED RELIEF**

The U.S. Securities and Exchange Commission (“SEC”) files this reservation of rights with respect to the *Joint Motion Of The Debtors And The Committee For Entry Of An Order (I) Approving The Implementation Of The Miningco Transaction And (II) Granting Related Relief* [Docket No. 4050] (the “**Wind Down Motion**”).²

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Wind Down Motion.

BACKGROUND

1. The SEC is the federal agency responsible for regulating the U.S. securities markets, protecting investors, and enforcing the federal securities laws.³ On July 13, 2023, the SEC filed a complaint against Debtor Celsius Network Limited and its former CEO, Alexander Mashinsky, in the U.S. District Court for the Southern District of New York, Case No. 1:23-cv-06005 (the “**District Court Action**”), alleging that the defendants raised billions of dollars from investors through the unregistered and fraudulent sales of crypto asset securities. The complaint further alleged, among other things, that the Defendants “fraudulently manipulated the price of Celsius’s own crypto asset security—the so-called ‘CEL’ token.” *SEC v. Celsius Network Ltd.*, No. 1:23-cv-06005 (Bankr. S.D.N.Y.).⁴ On July 13, 2023, the SEC filed a motion for entry of final judgment against defendant Celsius Network Ltd. along with a Consent in which Celsius consented to the entry of a final judgment that permanently restrained it from violating the securities laws. On November 1, 2023, the Final Judgment was entered against Celsius.

2. On March 31, 2023, the Debtors filed the *Joint Chapter 11 Plan of Reorganization of Celsius Network LLC and Its Debtor Affiliates*, as amended [Docket Nos. 2358, 2807, 3116, 3222, 3319].

3. On September 22, 2023, the SEC filed a limited objection and reservation of rights to the Debtors’ chapter 11 plan, which reserved the SEC’s rights to object to any wind-down motion [Docket No. 3522].

³ Under 11 U.S.C. section 1109(a), the SEC is also a statutory party in interest in this case.

⁴ A copy of the SEC’s complaint against Celsius and proposed final judgment were filed in this case at Docket No. 3293.

4. On November 9, 2023, this Court entered *Findings Of Fact, Conclusions Of Law, And Order Confirming The Modified Joint Chapter 11 Plan Of Celsius Network LLC And Its Debtor Affiliates* [Docket No. 3972].

5. On November 30, 2023, the Debtors and the Committee filed the Wind Down Motion, which seeks to implement the Plan election to proceed with an Orderly Wind Down.⁵

RESERVATION OF RIGHTS

6. The SEC continues to reserve its rights to challenge transactions involving crypto assets.

Dated: Washington, DC
December 14, 2023

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

By: /s/ Therese A. Scheuer
Therese A. Scheuer (*admitted pro hac vice*)
Senior Trial Counsel
100 F. Street, NE
Washington, DC 20549
Phone: (202) 551-6029
Fax: (202) 772-9317
scheuert@sec.gov

William M. Uptegrove
(*admitted pro hac vice*)
Senior Trial Counsel
Atlanta Regional Office
950 East Paces Ferry Road, N.E., Suite 900
Atlanta, GA 30326
Phone: (404) 842-5765
UptegroveW@sec.gov

Of Counsel: Alistaire Bambach

⁵ The Wind Down Motion notes that a Form 10 for NewCo will be filed imminently. Form 10 requires that the registrant provide certain business, financial and other information as further set forth in the Form, a copy of which is available at <https://www.sec.gov/about/forms/form10.pdf>. The Form 10 will be subject to the filing review process in the Commission's Division of Corporation Finance.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 14th day of December, 2023, a true and correct copy of the foregoing Reservation of Rights was furnished to all ECF Participants via the CM/ECF system.

/s/ Therese A. Scheuer

Therese A. Scheuer (admitted *pro hac vice*)